GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1430
ANSWERED ON:16.07.2004
CEMENT MANUFACTURERS
Zahedi Shri Mahboob

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether for cement manufacturers, the spurt in domestic coal prices is at a time when the onset of the monsoon is beginning to take its toll on cement prices;

(b) if so, the details thereof;

(c) whether cement prices have begun to slide, especially in the select markets in the Western Region:

(d) if so, reasons thereof;

(e) whether ACC, which relies solely on domestic non-coking coal is likely to be the worst hit as analysis expects its cost to rise by Rs.4/; and

(f) if so, please state whether price hike fuelled by the onset of the monsoon, will slow down the construction activities in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a)&(b): The cement prices are determined by market forces of demand and supply and are not dependent upon the price of a particular input used for its production. Onset of the monsoon causes lower level of construction activities resulting in decrease in demand for cement and consequent fall in cement prices.

(c)&(d): The prices of cement in the selected consumption centres (Mumbai, Ahmedabad, Nagpur, Pune, Rajkot, Baroda and Surat) in the Western Region since the beginning of the current financial year do not show abnormal slide.

(e): The increase in the prices of domestic coal may lead to marginal increase in the cost of production of cement.

(f): As stated in (a) above, the construction activities are normally low in the months of monsoon and the prices are subdued.